



Legal Risks in Future Housing Purchase and Sale Contracts: A Case Research in Vietnam

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A future housing purchase contract stipulates a predetermined sale price between a home buyer and seller, with the transaction set for a future date. This type of contract offers sellers the advantage of price security and continued property use until the sale, mitigating risks associated with market fluctuations and buyer scarcity. Nevertheless, these contracts also present several challenges, particularly the need for clear, transparent terms and careful legal risk management to safeguard the interests of all parties involved. This article uses the method of analyzing the written law, the method of analyzing the situation through the researching on secondary sources to analyze anticipated legal challenges in future housing purchase contracts and reviews relevant Vietnamese legal frameworks. It proposes essential contract terms and preventive measures aimed at minimizing risks and protecting the rights of the parties, focusing particularly on the buyer. These insights are intended to guide stakeholders in crafting more secure and equitable future housing purchase agreements.

A. Introduction

In the contemporary real estate market, future housing purchase contracts have gained popularity among investors and homebuyers. These agreements allow both parties to lock in



the sale and purchase of a home at a predetermined price while the property is still under construction or not yet completed. Known also as "futures purchase contracts," these agreements set forth clear terms, including the price and timing of the transaction.

One of the primary benefits of future home purchase contracts is the preservation of property value.¹ Buyers can secure the property value at the time of signing, mitigating the risks associated with fluctuations in real estate prices. Additionally, this arrangement provides buyers with more time to arrange financing and plan for their future home. For sellers, these contracts offer stability and a guaranteed sale price, allowing continued use of the property until the transaction is finalized. This can help sellers avoid the risks of price drops and the challenges of finding a buyer in a volatile market. However, future housing purchase contracts also present certain challenges. It is essential for the terms and conditions of the contract to be clear and transparent. Legal risks need careful consideration to protect the rights of the parties involved. This analysis draws on secondary sources to explore potential legal risks in future housing sales contracts, particularly under Vietnamese regulations. It proposes measures and contractual terms designed to minimize risks and safeguard the rights of all parties, with a special focus on protecting the buyer.

B. Discussion

1. Concept and legal nature of housing purchase and sale contracts formed in the future

Future-formed housing refers to properties currently under investment and construction that have not yet been completed or put to use. This term describes homes that are essentially in the planning or building stages, without a completed physical structure at the time of a sales contract. Typically, these are properties like apartments within a building still under development. The rights to these homes, including the certificate of land use rights and ownership of the property and any attached assets, are transacted before the housing is physically realized.²

The concept of *future-formed housing* is specific and signifies an asset that will materialize later on. It is easiest to understand this as housing that does not exist yet but is expected to be completed based on certain conditions and planning. According to the 2014 Real Estate Business Law, Clause 4, Article 3, *future construction is a house or construction project that is in the process of being built and has not yet been accepted and put into use*. According to the 2006 Law on Real Estate Business, it is stipulated: "*Buying and selling houses and construction works to be formed in the future means buying and selling houses and construction works that at the time of signing the contract for houses and construction works. That has not yet been formed or is being formed according to project documents, construction drawing designs and specific progress*."

Although the 2014 Law on Real Estate Business, in its third chapter, addresses the business activities concerning future-formed real estate, it does not explicitly define the contracts for the purchase and sale of such housing. In transactions involving future-formed housing, contracts serve as the fundamental mechanism for conducting sales between sellers and buyers.

From the above analysis, a contract to buy and sell houses to be formed in the future is understood: *A contract to buy and sell houses to be formed in the future is a written agreement between the parties on the purchase and sale of houses to be formed in the future. Future where the seller aims to make a profit. Accordingly, the seller will hand over the house and land use*

¹ Chau Thi Khanh Van, 2018, Protecting the interests of buyers and lessees when guaranteeing the purchase, sale or lease purchase of future housing, *Journal of Legislative Research*, No. 7 (359)-month April 2018.

² Vu Van Tien, 2024, Legal issues when buying a house in formation in the future? , <https://olympiclaw.vn/van-de-phap-ly-khi-mua-nha-o-hinh-thanh-trong-tuong-lai/> , accessed March 21, 2024.

rights to the buyer when construction is completed and the buyer must pay the house purchase price to the seller according to the content agreed upon by both parties in accordance with the provisions of law.

Such contracts are categorized under asset purchase agreements and are governed by the Civil Code, Housing Law, Real Estate Business Law, Commercial Law, and other relevant specialized legal documents. They require the clear expression of the parties' intentions, achieved through negotiation, exchange, and signing, focusing on the mutual interests of all parties involved. Adhering to the established principles and procedures during the formation and execution of these contracts is crucial in mitigating legal risks and preventing the invalidity of the contract due to non-compliance with legal requirements.

A future housing purchase contract represents an agreement wherein both parties mutually consent to establish certain rights and obligations. The law respects the freedom of parties to negotiate contracts, allowing them to determine their own rights and obligations, provided these are not contrary to general legal principles and social ethics. Should the parties not specify how rights and obligations are to be exercised, legal provisions will govern their implementation. Risk transfer specifics are outlined in Article 440 of the Civil Code: (i) the seller is responsible for any risks associated with the property until it is delivered to the buyer. Conversely, the buyer assumes risks once they receive the property, unless an alternative arrangement is agreed upon; (ii) In cases where the law mandates registration of property ownership, the seller bears all associated risks until the registration process is complete. The buyer assumes risks from the moment the registration is finalized, regardless of whether they have physically acquired the property, unless stipulated otherwise.

To safeguard home buyers' interests, regulatory bodies rigorously adjust the content and clauses of standard contracts. Under Thai law, such contracts must adhere to the standardized format specified by the Ministry of Home Affairs. The government's form OC 6 22, issued by the ministry, includes consumer protection clauses that predominantly benefit the buyer.³ However, developers often incorporate clauses into the contract that are advantageous to them, such as those concerning payment schedules, penalty stipulations, and handover timelines, along with the obligations of the developer upon transfer of the house. Without thorough research or expert advice, customers may find themselves at a disadvantage in the event of a dispute. Potential risks for buyers include delayed handover, opaque information, and compromised project quality.

2. Risks when entering into and implementing housing purchase and sale contracts formed in the future

Ownership of future assets, defined as real assets that do not yet exist at the time of purchase or sale, presents complexities. Specifically, buyers might enter into a pre-construction property purchase contract based on the construction plan, design, and developer's reputation. At this stage, property ownership is ambiguous.⁴ This ambiguity can lead to risks, particularly when the property is under construction or incomplete, complicating the determination of ownership and potentially leading to legal disputes. Moreover, if the property is constructed on land owned by a third party, establishing land ownership and navigating related legal matters can pose significant risks.

³ Siam Legal, Buying Off-Plan: The Sales and Purchase Agreement, <https://www.siam-legal.com/thailand-law/buying-off-plan-the-sales-and-purchase-agreement/>.

⁴ Oladele Oladunjoye and Bisola Oguejiofor, 2018, Nigeria: Off Plan Property Purchase – What Prospective Buyers/Sellers Should Consider, <https://www.mondaq.com/nigeria/real-estate/757468/off-plan-property-purchase--what-prospective-buyers-sellers-should-consider>.

Regarding the rights and obligations of the parties involved, a housing purchase contract serves to clearly define these elements, enhancing transparency and fairness throughout the transaction. Thai regulations dictate that such contracts adhere to a standard form, prescribed by the Ministry of Home Affairs. The Ministry has issued Government form OC 22⁵, a standardized sales contract that includes consumer protection provisions favoring the buyer. OC Standard 22 specifies minimum requirements for any apartment sale contract, including that the seller must guarantee ownership of both the land where the apartment project is being constructed and the apartment itself. The contract must include details of the land ownership deed, clearly indicating whether the land is mortgaged, the amount of the mortgage, and to whom it is payable. It also requires the seller to disclose any liens on the apartment building. Furthermore, the seller must confirm that they have obtained the necessary construction permit and that the apartment building will be registered as a condominium upon completion.

The sale and purchase agreement must clearly specify that the transaction includes not only the apartment but also shared assets as defined under Section 15 of the Condominium Act, such as the land the condominium is built on. It should also state that amenities advertised must be registered as common property by the seller. The seller is required to commit to a specified transfer date, guarantee construction completion by this date, and send a 30-day prior reminder notice to the buyer. The buyer has the right to transfer their contractual rights without a seller-imposed fee. Construction must adhere to government-approved specifications, and if halted for reasons beyond the seller's control, the suspension should not exceed the necessary period nor last more than one year, with the seller required to provide written notice and evidence of the cause. Upon completion, the seller must ensure prompt installation of essential services like electricity and water for ownership transfer⁶, with the buyer reimbursing these installation costs. All taxes related to the transfer, including income taxes, specific business taxes, and stamp duty, are the seller's responsibility, while the transfer fee is to be equally divided between seller and buyer.

In the event of a payment delay by the buyer, the agreement should stipulate that the buyer consents to the seller collecting interest on the outstanding balance at a rate not exceeding 15% per annum. Nonetheless, the total profit from such interest cannot exceed 10% of the purchase price. Furthermore, the seller cannot immediately terminate the contract upon late payment. Instead, the seller is required to send a written notice to the buyer and provide a 30-day grace period for payment before proceeding with termination.

Should the seller fail to deliver the title by the specified transfer date, the buyer has the right to terminate the contract and is entitled to a full refund of all sums paid, including interest, where the total interest must not exceed 10% of the purchase price. This entitlement does not prevent the buyer from pursuing additional damages from the seller. Alternatively, if the buyer decides against contract termination, they are permitted to impose a daily penalty on the seller of at least 0.01% of the purchase price. However, the cumulative penalty must not surpass 10% of the purchase price, after which no further penalties can be applied.

In case the buyer delays payment, the buyer must agree to let the seller collect interest on the outstanding balance at an interest rate of no more than 15%/year. In no case shall the total profit exceed 10% of the purchase price⁷.

⁵ *Ibid.*

⁶ Pham Quang Huy, 2014, Commentary on real estate transfer contracts formed in the future. *the Journal of Legislative Studies*, No. 06, p. 24-37.

⁷ Siam Legal, Buying Off-Plan: The Sales and Purchase Agreement, <https://www.siam-legal.com/thailand-law/buying-off-plan-the-sales-and-purchase-agreement/>.

The legal framework governing sales undertakings in Brazil establishes that such contracts cannot include any regret clauses. Additionally, a preliminary agreement, except in form, must contain all the elements required in the main contract. Furthermore, Article 463 establishes that the registration with a competent public authority is a prerequisite⁸; this registration does not itself transfer ownership but merely creates an obligation to transfer ownership, which becomes effective post-registration. This turns the promise of purchase into an ownership transfer in anticipation of a future sales contract. Hence, registration is primarily viewed as a means to publicize the purchase commitment to third parties rather than as an indispensable element of the contract, even though the Civil Code suggests otherwise. Brazilian law considers "*registration only as a tool to publicize the commitment to purchase and sale*" with third parties and not as an indispensable prerequisite of the contract, although that determines the Civil Code.⁹

Regarding project delays, risks associated with project feasibility can lead to significant legal and financial risks for the buyer if the construction project is delayed or faces legal hurdles. Issues such as land location, urban planning, land use rights, and environmental regulations can impact project completion. Sometimes, housing projects may not be completed as planned, potentially leading to a decrease in property value or failure to complete at all. It is common for investors to withhold information on crucial aspects such as investment duration, land allocation, and lease terms for commercial housing projects, which are often leased from the State for fixed terms (e.g., 20, 30, or 50 years). Consequently, at the end of the lease term, the State can reclaim the land, leaving the buyer to face subsequent legal challenges. Examples of this include developments like Pacific Palace Hanoi and European Overseas Vietnamese Village, where the lease terms are part of the risk buyers undertake when engaging in long-term commercial housing leases.¹⁰

To enhance state oversight and protect homebuyers' rights, project investors are mandated to register real estate purchase and sale contracts. These contracts must include specific delivery conditions and general services, and are required to be registered with the Competition Management Department of the Ministry of Industry and Trade as per Decision No. 02/2012/QĐ-TTg, issued by the Prime Minister on January 13, 2012. Once a contract is approved by the Competition Management Department, it can then be finalized with the customer. This measure bolsters state management roles, curbing scenarios where investors might unilaterally enforce terms in real estate contracts. Furthermore, the Law on Consumer Protection requires that organizations and individuals engaged in trading goods and services included on a list issued by the Prime Minister must register their contracts according to prescribed formats and general transaction conditions with a competent state management agency dedicated to consumer rights protection.¹¹

Third, changes in legal regulations represent a significant risk as they can introduce uncertainty into contractual agreements. Laws may be amended during the implementation of a project, which can alter the terms of a sales contract, potentially leading to disputes between

⁸ Article 463: §1°. The preliminary contract must be registered in the competent public agency.

⁹ Luciano Zordan Piva, 2016, The historical development of the purchase agreement in a comparative analysis, https://www.researchgate.net/publication/310460441_The_historical_development_of_the_purchase_agreement_in_a_comparative_analysis.

¹⁰ Le Minh Toan, 2017, Points to note when signing a housing purchase contract, <https://plo.vn/nhung-diem-can-luu-y-khi-ky-hop-dong-mua-ban-nha-o-post421615.html>.

¹¹ National Assembly, 2018, Law on Protection of Consumer Rights No. 43/VBHN VPQH, issued on December 10, 2018, Hanoi, p. 7.

the involved parties.¹² Legal procedural risks, such as complexities and ambiguities in transfer procedures, can further complicate matters for all parties involved.

Fourth, Deposit and Withdrawal Conditions: To mitigate legal risks associated with withdrawing from a contract or losing a deposit, it is crucial that the specific terms and conditions are clearly defined in the contract. If a project encounters financial or legal issues, buyers risk significant financial losses, including forfeiture of their deposits or inability to reclaim advance payments.¹³

Experts have highlighted risks associated with entering into capital contribution contracts to reserve the right to purchase an apartment or signing sales contracts through secondary investors. Homebuyers should be cautious, especially in a market that has experienced competitive buying phases. Now that customers have more influence and access to diverse information channels (including direct inspections of the project, the investor's reputation, and tangible products), they are advised against participating in speculative apartment investments or purchases styled as "investment capital contributions."

Fifth, Lack of Important Information: if crucial information about a project or asset is either undisclosed or misrepresented, it can pose legal risks to all parties involved.¹⁴ A reliable housing purchase contract is instrumental in fostering market stability and boosting confidence among transaction participants.¹⁵ Unclear legal terms can lead to conflicts during the execution of the contract.¹⁶

Sixth, Protecting the Interests of Buyers and Sellers: Housing sales contracts are designed to safeguard the interests of both buyers and sellers.¹⁷ They provide specific terms and conditions that ensure both parties are protected and safeguarded from damages.¹⁸

Seventh, Legal Basis for Dispute Resolution: Housing purchase contracts serve as a critical legal foundation for resolving disputes should they arise.¹⁹ These contracts underscore the commitment and responsibilities of the parties involved and offer a structured legal framework for addressing issues. Disputes related to contracts can be arduous, time-consuming, and costly to resolve through the legal system, potentially affecting both parties adversely.²⁰

3. Analyze approach cases from Vietnamese practice

Regarding ownership rights and risk responsibilities, the 2014 Housing Law, the 2015 Civil Code, and the 2014 Real Estate Business Law stipulate the conditions for transferring ownership and allocating risk. (i) In house sales transactions not directly involving a construction project's investor and the buyer, ownership is transferred when the buyer has fully

¹² Nguyen Dinh Phong, Nguyen Thu Huong, (2018) , *Some inadequacies in future housing purchase and sale contracts* , <https://tapchitoaan.vn/mot-so-bat-cap-ve-hop-dong-buy-banana-for-images-in-the-future>.

¹³ Nguyen Thi Hong Nhung, (2022), *Some legal issues on buying and selling housing formed in the future*, <https://svn.vn/mot-so-van-de-phap-ly-ve-mua-ban-nha-o-hinh-thanh-trong-tuong-lai1657031860.html> .

¹⁴ Pham Duy Nghia, 2003, Adjusting asymmetric information and risk management in Vietnamese contract law, *Journal of Legislative Studies* , No. 05, p. 39.

¹⁵ Liu Guo-tai, 2023, *Measures to ensure safety for home buyers will be formed in the future* . Workshop on Ensuring legal safety in real estate transactions. Ho Chi Minh City University of Law, p,28.

¹⁶ Huynh Anh, 2016, Some legal issues about housing mortgages formed in the future at commercial banks, <http://www.lapphap.vn/Pages/tintuc/tinchitiet.aspx?tintucid=208665>.

¹⁷ Hong Thai, Thinh An, 2023, Protecting customer rights when buying houses formed in the future. <https://lanhtedothi.vn/bao-ve-quyen-loi-khach-hang-khi-mua-nha-o-hinh-thanh-trong-tuong-lai.html> .

¹⁸ Hong Thai, Thinh An, 2023, Protecting customer rights when buying houses formed in the future. <https://lanhtedothi.vn/bao-ve-quyen-loi-khach-hang-khi-mua-nha-o-hinh-thanh-trong-tuong-lai.html> .

¹⁹ Nguyen Van Cuong, 2001, Resolving lawsuits about house purchase and sale contracts in *court* , *State and Law*, No. 5 (157) May 2001, p. 69-71.

²⁰ Ban Mai, 2022. *Binh Duong inspected the commercial housing project and complained about a large number of people*. <https://vneconomy.vn/binh-duong-thanh-tra-du-an-khu-nha-o-thuong-mai-khieu-kien-dong-nguoi.htm> .

paid the purchase price and formally accepted the house handover, unless the contract specifies otherwise.²¹ For example, if Mr. A sells a house valued at 10 billion VND to Mr. B, and Mr. B pays 80% of the contract value upfront with an agreement to pay the remainder upon receiving the house and the ownership documents, the rules of ownership and risk apply distinctively.

In a scenario where the house is destroyed by a fire due to an electrical short circuit before the completion of the ownership transfer, Mr. B, having not completed payment nor taken formal possession, might opt to terminate the purchase and demand a refund. Given that the electrical short circuit falls under the homeowner's control and not as an external risk, Mr. A retains ownership and, according to Article 162 of the 2015 Civil Code, must bear the resulting damages. Therefore, he is responsible for the loss and obligated to refund Mr. B's payment.

(ii) When purchasing a house from the investor of a housing construction project, the transfer of house ownership occurs either when the buyer receives the house or when the buyer has fully paid for the house to the investor. This stipulation means that ownership transfers to the buyer upon satisfying either one of these conditions—not necessarily both. For instance, if Mr. C buys a house from Company X and receives the house, any subsequent damage to the property falls under Mr. C's responsibility per Article 162 of the 2015 Civil Code, as ownership has transferred to him at the time of handover.

(iii) In cases involving commercial housing bought from real estate businesses, the ownership transfer must comply with the Real Estate Business Law. Specifically, Clause 5, Article 19 of the Law on Real Estate Business 2014 states that ownership transfer occurs when the house is handed over to the buyer or the buyer has paid in full, unless the contract specifies otherwise. For example, if Mr. C and Company X have a contract stating that ownership transfer is contingent on full payment and Mr. C has received the house but has not completed payment, he does not yet own the house according to their agreement. Thus, in the event of any damage, Company X would bear the risk as they still hold ownership. It is crucial for the determination of risk responsibility that the type of housing transaction and any additional contractual agreements between the parties are clearly understood to safeguard the rights and responsibilities of all involved parties.

To enable future housing projects to be operational as businesses, the law stipulates specific conditions.²² Yet, when these conditions are not fulfilled, numerous investors resort to legally dubious tactics such as signing or having a third party (like a broker or a subsidiary) sign agreements to collect deposits, reserve spots, and solicit advance payments from potential buyers to fund the project.²³

According to Clause 2, Article 19 of Decree 99/2015/ND-CP, there are three legal methods for raising capital to invest in commercial housing construction: (i) mobilizing capital through contributions and investment collaborations such as business partnerships, joint ventures, and associations among organizations, households, and individuals; (ii) collecting funds through sales, lease-to-own arrangements, rentals, or prepayments under contracts for future housing purchases, leases, or lease-purchase agreements; (iii) obtaining loans from credit institutions and financial organizations operating within Vietnam. Further, Point a of the same clause explicitly prohibits investors from using these or any other methods of capital mobilization to distribute housing products or to provide preferential registration rights, take deposits, secure purchasing rights, or allocate land use rights within the project.

²¹ Chau, KW, Wong, SK & Yiu, CY, 2007, *Housing Quality in the Forward Contracts Market*. *J Real Estate Finan Econ* 34, 313–325, <https://doi.org/10.1007/s11146-007-9018-x>.

²² Article 55 of the Law on Real Estate Business 2014.

²³ Che Van Trung, 2020, *Business conditions for apartment buildings to be formed in the future: Some theoretical and practical issues*, <https://tapchicongthuong.vn/bai-viet/dieu-kien-Kinh-doanh-nha-o-chung-cu-hinh-thanh-trong-tuong-lai-mot-so-van-de-ly-luan-and-thuc-tien-75388.htm>.

Despite this, some investors or their proxies may engage in signing agreements with customers to accept deposits and reserve spots for capital mobilization for the project, which is an illegal activity as per the legal framework.

While there are opinions suggesting that deposit and reservation agreements are mutually agreed upon, where customers gain the right to have purchase priority, receive discounts, and other benefits by placing a deposit, this is seen as a deposit transaction intended to secure a future contract for purchasing a house. According to the Civil Code, such transactions can be permissible, allowing the investor the right to engage in them.

While some argue that deposits and reservations between investors and customers for future housing projects are legitimate under the Civil Code, such views overlook the specific laws governing housing and real estate transactions. Deposits and reservation agreements for properties that are yet to be constructed fall under the specialized laws of housing and real estate business, making them the priority in legal application. According to Point a, Clause 2, Article 19 of Decree 99/2015/ND-CP, such practices of securing deposits and reservations as means to mobilize capital for undeveloped projects are explicitly prohibited and therefore illegal.

Furthermore, Article 57 of the Law on Real Estate Business 2014 sets firm guidelines *"Payment in the purchase, sale or lease purchase of real estate formed in the future is made many times, the first time must not exceed 30% of the contract value. , subsequent times must be consistent with the real estate construction progress but the total must not exceed 70% of the contract value before handing over the house or construction project to the customer; In case the seller or lessor is a foreign-invested enterprise, the total amount must not exceed 50% of the contract value."* Despite these clear stipulations, some investors and third parties bypass these legal thresholds, signing agreements to inappropriately secure up to 100% of the housing value in advance, even when construction has not commenced and the projects lack the necessary legal status for business operations. This disregard for law not only breaches regulations but also presents significant risks to society.

The legal repercussions for such violations are stringent. According to Clause 1, Article 68 of the 2014 Housing Law states *"The form of capital mobilization must be appropriate for each type of housing according to the provisions of this Law. Cases of capital mobilization in the wrong form and not meeting all the conditions for each type of housing according to the provisions of the housing law are not legally valid."* Clause 1, Article 19 of Decree 99/2015/ND-CP further clarifies *"...in case of signing a capital mobilization contract that is not in accordance with the provisions of Article 68, Article 69 of the Housing Law and the provisions of this Article, it is not recognized by law, the investor will be punished for violations according to the provisions of law and must compensate for damages to capital contributors"*

Illegal capital mobilization through agreements to receive deposits and reserve seats for future housing projects, when done in violation of specified legal norms, renders such agreements potentially void. If declared invalid, the investor is required to refund the full amount received to the customers and may also need to compensate them for any damages incurred²⁴. Additionally, the investor could face administrative fines up to 1 billion VND for such violations as per Point d, Clause 4, Article 58 of Decree 16/2022/ND-CP.

Customers also face substantial legal risks when engaging in transactions for houses yet to be constructed. Often, at the time of signing such agreements, investors may not have met the necessary legal conditions to commence business on future housing projects, nor is there a guarantee that they will complete the required legal documentation to begin sales. Many

²⁴ Le Thi Bich Tho, 2002, *Invalid economic contracts and legal consequences of invalid economic contracts* , Doctoral thesis in Jurisprudence, Institute of State and Law, H. 2002.

projects get indefinitely suspended due to legal issues or financial shortfalls, leaving the infrastructure unqualified for sale. In such cases, customers, having paid significant sums—sometimes up to 65% of the house value within just two months—find themselves caught in precarious situations with delayed contract signings and unmet promises, such as discontinued interest rate discounts.

Given these risks, it is crucial for customers to meticulously verify the legal and actual status of a housing project before committing funds. This involves checking the legal documentation and the progress of the infrastructure construction. Customers should ensure that all legal conditions are satisfactorily met before entering into contracts and transferring money to the investor or a legally authorized third party. Failures to fulfill the requirement may lead to complex legal battles to recover payments, which not only demand considerable time and effort but also carry a high risk of financial loss, especially if the investor becomes insolvent.

4. Measures to prevent legal risks when entering into housing purchase and sale contracts formed in the future

- a. Measures to prevent and minimize risks from the buyer. Recommend monitoring strategies and comply with new regulations to ensure legality and compliance in contracts. Liability and indemnity risks refer to the circumstances in which the parties may be held responsible and indemnified in the event that a home purchase contract is not properly performed²⁵.
- b. Measures to prevent and minimize risks from the seller. Recommend risk management strategy and optimize liability and indemnification protection through the use of specific terms and conditions in contracts. Opportunities and measures to resolve legal risks²⁶.
- c. Legal support measures from state agencies²⁷. Recommend measures to address legal risks such as employing a legal expert, thoroughly examining contract terms, and implementing internal control processes. Highlight opportunities to improve legal processes and create a transparent and trustworthy real estate transaction environment²⁸.

At the same time, buyers need to perform thorough inspection and research before signing a contract, seek advice from an experienced lawyer or legal expert, and suggest protective clauses for their customers, both parties to the contract²⁹. Ensure transparency and complete information from the seller about the housing project.

C. Conclusion

Entering into a housing purchase and sale contract formed in the future with many terms prepared by the seller and the weak position of the buyer (in access to information, access to conditions of the seller, access to anticipate risks of the housing market in the future), with analysis of contractual risks, predict and risk warnings, therefore it is necessary to take measures to supervise from the State for contracts entered into (through the form of bank guarantee,

²⁵ Viet Anh, 2008, *Ministry of Justice commits to solving the 'pain' of notarization*, <http://www.vnexpress.net/GL/Xa-hoi/2006/06/3B9EA91B/> (accessed October 21 /2020).

²⁶ Pham Duy Nghia, 2023, Adjusting asymmetric information and risk management in contract law in Vietnam. *Journal of Legislative Studies* No. 5/2023

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²⁸ Tran Thi Hue and Nguyen Van Hoi, 2012, Some shortcomings in the legal provisions on housing purchase and sale contracts *Journal of Law* No. 12/2012.

²⁹ Brownsword, Roger, 2005, *Contract Law – Themes for the Twenty – first Century*, 2nd ed., OUP, Oxford 2006. Buckley, FH, *Just Exchange – A Theory of Contract*, Routledge, Milton Park 2005.

formulation of binding clauses in model contracts), liability for compensation of the seller when the contract is not fully performed to the housing purchase and sale contract relationship formed in the future to minimize legal risks and protect their rights. Besides, buyers and sellers need to discuss and clearly understand the terms and conditions of the contract, as well as conduct thorough checks on reputation and potential of the housing project before signing the contract. Additionally, seeking advice from an experienced attorney or legal professional is also an important part of this process.

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